

HORIZON HOUSING ASSOCIATION LIMITED	<b>HOUSING SERVICES POLICY</b>
TITLE	<b>SERVICE CHARGE POLICY</b>
DATE OF APPROVAL	<b>MARCH 2008</b>
DATE OF REVIEW	<b>MARCH 2011</b>

## **1.0 INTRODUCTION**

**1.1** Horizon is required, by Performance Standard B4.2, to have a fair and accountable system for pricing its services to ensure it recovers its costs.

**1.2** Horizon is committed, within its Business Plan to ensure that its rents are affordable to people on low incomes.

For the purposes of this policy, rents are distinguished separately from Service Charges. These are charges which tenants must pay. Service Charges are not included in the assessment of Affordability, however the Association will aim to obtain value for money at all times. A rent policy is available separately.

**1.3** The Association aims to achieve, as a minimum, the requirements described in 1.1 and 1.2 above through the adoption of this Service Charge Policy, and the implementation of detailed procedures which are adopted by staff thereafter.

## **2.0 DEFINITION OF SERVICE CHARGES**

**2.1** "Service Charges" are charges made by the Association for goods or services in addition to those funded by Rental charges. The Service Charge(s) must be set at a level which covers the full cost(s) of providing the service(s).

**2.1.1** Where the Association has no Statutory obligations, but provides Services to Owners or Sharing Owners in exercise of its responsibilities as a Managing Agent (which may be within, or in addition to the Services it provides to tenants), charges shall be levied on a comparable basis, or as near comparable as the Deed of Conditions will allow.

**2.2** Service Charges to tenants will be made in accordance with the Tenancy Agreement.

**2.3** Service Charges to others will be made in accordance with Deeds of Conditions or other relevant contractual arrangements.

In addition, we will set an annual management fee for sharing owners and outright owners. This fee will be set to reflect the costs incurred and ensure that the properties in which we have an interest are effectively managed.

## **3.0 COMPOSITION OF SERVICE CHARGES**

**3.1** Where the Association levies Service Charges, these will include the following costs:

Horizon Housing Association Ltd are a Registered Scottish Charity

Macintosh HD:Users:markhewins:Desktop:horizon web files:Policies - May 2008:Service Charges (Hous) - March 2008 -



### **3.1.1 Maintenance**

The Association will recover the anticipated costs of maintaining and if necessary repairing the Service item over the period for which the Service Charge is set. This will usually be one Financial Year.

### **3.1.3 Replacement Costs**

Where the Association anticipates that it must meet the costs of eventual replacement of the item it will make a charge for that purpose. The charges will be recovered on an annual basis based on the costs of replacement and the anticipated lifespan of the item. This should include the replacement of Stage 2 and 3 adaptations which would not normally be funded by Communities Scotland grants.

### **3.1.4 Administration**

The Association will recover, from each tenant or other customer who receives chargeable services, a charge to meet the administration costs incurred by the Association in providing services.

### **3.1.5 Service Charge Equalisation Costs**

If the Association over or under recovers on separate Service Charges in any Financial Year, the separate Service Charge in the next Financial Year shall be varied to address the effects of the over or under recovery. Where an under recovery has occurred, the additional charge shall be based on a reasonable view of the time period over which recovery should be made, and any other measures which may be taken in response to the under recovery.

## **4.0 SERVICES WHICH ARE CURRENTLY PROVIDED**

**4.1** In setting Service Charges, the Association has identified the separate costs incurred in relation to each Service provided. Tenants and others are only charged for the Services they receive.

**4.2** The Services currently provided are listed in the table below, which sets out, for each Service Charge, the composition of the charge. It should be noted that not all services will be provided to all tenants or other customers.

## **5.0 EXPLAINING SERVICE CHARGES**

**5.1** Each tenant will receive, at the commencement of their tenancy, a Tenancy or occupancy Agreement which details the service(s) provided by the Association and the original costs associated therewith for each Service item at the time of signing their tenancy.

**5.2** Each sharing owner/owner occupier will receive an initial

statement detailing the information of the charges at the time of entering into an Factoring/Occupancy Agreement with the Association.

**5.3** Signing the Tenancy/Occupancy Agreement or Factoring Agreement forms an acceptance of the initial provision of services, and the associated charges.

**5.4** Service Charges will be reviewed annually, at the same time as the annual Rental review. At each review, the Association will advise of the service charge amount for the forthcoming financial year, along with any increase or decrease on the previous year's charge.

## **6.0 VARYING THE SERVICES PROVIDED**

**6.1** The Association may vary the services provided by either providing additional services or withdrawing the provision of services and where it does so, will review the level of charges.

**6.1.1** Services are provided either to individuals or to groups of two or more households.

**6.1.2** The arrangements for varying services will depend on whether the service is provided to the individual or to a group.

**6.2** We may be asked by individual tenants to provide additional services, most commonly through the provision of equipment to assist a person with a disability.

**6.2.1** The Association will provide such equipment only where the tenant seeking provision of the equipment agrees to meet any associated service charge, in awareness that such charges may be eligible for Housing Benefit, depending on their personal circumstances and current Housing Benefit regulations.

**6.3** We may be asked by individual tenants to cease to provide services to them individually, most commonly through the removal of specialist equipment in their home.

**6.3.1** The Association will consider the removal of such requests, and may agree to remove equipment where it is sure that no threat to health or safety will arise and where the removal will not incur additional costs to the Association. Where the Association agrees to delete the service, the charge will be deleted from the date of removal of the service.

**6.4** We may be asked to provide additional services to a group of customers.

**6.4.1** The Association will normally agree to provide such additional services where there is a clear majority who would benefit from the services and all beneficiaries agree to meet any associated costs. Such Charges may be eligible for Housing Benefit. The Association will advise individuals that this will depend on their personal circumstances and current Housing Benefit regulations.

It is the individuals responsibility to seek benefit.

**6.5** We may be asked by an individual that they be removed from a service provided to a group. We will not agree to such requests.

**6.6** We may be asked by a group to cease to provide a service provided to that group, for example the provision of stair cleaning. We will consider such requests and consult with those affected and be guided by the majority view. We will require that satisfactory alternative arrangements for the provision of the service are, or will be, in place. Where the Association agrees to delete the service, the charge will be deleted from the date of removal of the service.

**6.7** In line with the tenancy/occupancy agreement, should the group fail to make adequate provisions or fail in their obligation to attend to the service, the Association will instigate action to take over the service and charge all those who benefit from the service.

## **7.0 UNIFYING SERVICE CHARGES**

**7.1** The Association has decided that, where possible, Service Charges will be standard across the Association's housing stock, the same charges will be levied for the same services irrespective of location. Appendix 1 identifies which of the Association's current services have standard charges attached.

## **8.0 RECOVERING SERVICE CHARGES**

**8.1** Tenants and other customers will be required to make monthly payments of Service Charges to the Association.

**8.2** In the event of Charges not being paid as due, the Association will consider the legal remedies open to it in terms of recovery. For tenants this will be in accordance with the Association's Rent Arrears Policy and could ultimately result in repossession. For sharing or outright owners this will be in accordance with the Association's Debt Recovery Policy.

## **9.0 COMPLAINTS AND SERVICE CHARGES**

**9.1** Tenants, or others who are dissatisfied as to the application of this policy or with the standard of services provided should utilise the Association's Complaints Policy.

## **11.0 REVIEW**

**11.1** This policy will be reviewed every three years.